TITLE 3. DEPARTMENT OF FOOD AND AGRICULTURE

NOTICE IS HEREBY GIVEN that the Department of Food and Agriculture (hereinafter referred to as "Department") is proposing to take the action described in the Informative Digest. A public hearing is not scheduled for this proposal. A public hearing will be held if any interested person, or his or her duly authorized representative, submits a written request for a public hearing to the Department no later than 15 days prior to the close of the written comment period. Any person interested may present statements or arguments in writing relevant to the action proposed to the person designated in this Notice as the contact person beginning April 18, 2008 and ending at 5:00 p.m. on June 2, 2008. Following the public hearing, if one is requested, or following the written comment period if no public hearing is requested, the Department, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by sections 407, 24561, 24562, 24681 and 24991 of the Food and Agricultural Code, and to implement, interpret or make specific Food and Agricultural Code sections 19240, 19241, 19242, 19260, 19261, 19262, 19280, 19281, 19282, 19501, 19501.5, 19502, 19503 and Division 12, Part 1 (Chapters 1, 2, and 3), Part 2 (Chapters 1, 2, 3, 4, 5, and 6), and Part 3 (Chapters 1, 2, 3, 4, 5, and 6) of said Code, the Department proposes changes to Subchapter 1 of Chapter 5, Division 2, of Title 3 of the California Code of Regulations, to read as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Poultry Meat Inspection:

Existing law, Food and Agricultural Code sections 19240, 19241, 19242, 19260, 19261, 19262, 19280, 19281 and 19282 specify the requirements for pet food slaughterers, pet food processors, and pet food importers. Food and Agricultural Code sections 19501, 19501.5, 19502 and 19503 specify the requirements for the slaughter of poultry. Food and Agricultural Code Division 12, Part 1 (Chapters 1, 2, and 3), Part 2 (Chapters 1, 2, 3, 4, 5, and 6), and Part 3 (Chapters 1, 2, 3, 4, 5, and 6) specify the requirements for poultry meat inspections.

The inspection and licensing of poultry meat establishments are exempt from mandatory inspection by the Food Safety and Inspection Service of the United States Department of Agriculture (USDA), but require inspection in California by the Department.

To implement the above-noted sections of law, the Department has in place existing regulations under Articles 1 through 28 of Subchapter 1, Chapter 5, Division 2 of Title 3 of the California Code of Regulations. The regulations set forth the requirements for the inspection and licensure of poultry plants and the application and licensure of Licensed Poultry Meat Inspectors.

This proposal amends various sections of Articles 1 through 28 of Subchapter 1, Chapter 5, Division 2, of Title 3 of the California Code of Regulations. It codifies existing requirements for application and licensure of poultry meat inspectors, and poultry inspection, slaughter, processing, and importation. The Department also incorporates by reference specified portions of the Code of Federal Regulations (CFR), the California Building Code, and specified forms and documents utilized or developed by the Department. This proposal also includes updated industry and Departmental terminology for consistency and clarity purposes.

COMPARABLE FEDERAL REGULATIONS

The Department is adopting, or incorporating by reference, specified sections of the following federal rules, requirements, and policies with such changes as specified in this proposal to make them applicable to state operations and transactions for meat and poultry inspection pursuant to sections 19502, 24561 and 24462 of the Food and Agricultural Code:

- 9 CFR sections 307.1 and 307.2 (2007).
- 9 CFR section 381.73 (2007).
- 9 CFR Part 416 (2007).
- 40 CFR Part 141 sections 141.1, 141.2, 141.3, 141.4, 141.5, 141.6, 141.11, 141.13, 141.21, 141.22 and 141.23 (2007).
- 2007 California Building Code, Title 24, Part 2, Volume 1, Sections 1240, 1241, 1242 and 1243.
- 9 CFR sections 381.11, 381.12, and 381.13 (2007); USDA FSIS Directive 6030.1, Revision 1, August 10, 2005.

FISCAL IMPACT STATEMENTS

<u>Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:</u> None

Nondiscretionary Costs/Savings to Local Agencies: None

Local Mandate: None

Cost to Any Local Agency or School District for Which Government Code Section 17561 Requires Reimbursement: None

<u>Business Impact:</u> The Department has made an initial determination that this proposed regulatory action will not have a significant statewide adverse economic impact directly affecting California businesses, including the ability of California businesses to compete with businesses in other states. This proposal pertains to custom livestock slaughterhouses, pet food slaughterers, and poultry plants that are exempt from federal inspection. It also pertains to licensed Poultry Meat Inspectors performing poultry meat inspection activities. The cost impacts that a business would necessarily incur in reasonable compliance with the proposed action are paperwork, reporting, and recordkeeping requirements as follows:

• A detailed list of each form, document, guideline and manual is included in the rulemaking file and is available to the public upon request.

Paperwork: Completion of application forms for a person to apply for a license to become a Poultry Meat Inspector or for a person or business to apply for a license to operate a poultry plant. Completion of applications for label formulation and approval, and approval to import poultry into California. The costs associated with the application process are set forth in Food and Agricultural Code sections 19225, 19227, 24744, 25053 and 25055. The Department at no cost provides the application forms.

Reporting: Completion of inspection reports, facility notes, daily and monthly reports of animals slaughtered at each facility, and a schedule of operations. The costs associated with reporting cannot be determined as it is a standard business practice for persons slaughtering or processing poultry. The Department provides the reporting forms at no cost and the forms are normally completed on site at the facility.

Recordkeeping: Completion of sanitation standard operating procedures, poultry plant plan guidelines, poultry plant construction and equipment guidelines, and training manuals. The costs associated with recordkeeping cannot be determined by the Department as it varies based upon the size of the facility and the number of poultry slaughtered and processed. However, record keeping is a standard business practice for individuals engaged in the business of processing poultry and poultry meat food products to ensure the safety and wholesomeness of the product.

In making these determinations, the Department has not considered alternatives that would lessen any adverse economic impact on businesses and invites the public to submit such proposals during the written comment period. Submissions may include the following considerations:

- The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- The consolidation or simplification of compliance and reporting requirements for businesses.

- The use of performance standards rather than prescriptive standards.
- Exemption or partial exemption from the regulatory requirements for businesses.

<u>Impact on Jobs/New Businesses:</u> The Department has determined that this regulatory proposal will not have any impact on the creation of jobs or businesses or the elimination of jobs or existing businesses or the expansion of businesses in California.

Cost Impacts on Private Persons or Entities: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. This proposal pertains to custom livestock slaughterhouses, pet food slaughterers, and poultry plants that are exempt from federal inspection. It also pertains to licensed Poultry Meat Inspectors performing poultry meat inspection activities. The cost impacts that a private person or entity would necessarily incur in reasonable compliance with the proposed action are paperwork, reporting, and recordkeeping requirements as follows:

 A detailed list of each form, document, guideline and manual is included in the rulemaking file and is available to the public upon request.

Paperwork: Completion of application forms for a person to apply for a license to become a Poultry Meat Inspector or for a person or business to apply for a license to operate a poultry plant. Completion of applications for label formulation and approval, and approval to import poultry into California. The costs associated with the application process are set forth in Food and Agricultural Code sections 19225, 19227, 24744, 25053 and 25055. The Department at no cost provides the application forms.

Reporting: Completion of inspection reports, facility notes, daily and monthly reports of animals slaughtered at each facility, and a schedule of operations. The costs associated with reporting cannot be determined as it is a standard business practice for persons slaughtering or processing poultry. The Department provides the reporting forms at no cost and the forms are normally completed on site at the facility.

Recordkeeping: Completion of sanitation standard operating procedures, poultry plant plan guidelines, poultry plant construction and equipment guidelines, and training manuals. The costs associated with recordkeeping cannot be determined by the Department as it varies based upon the size of the facility and the number of poultry slaughtered and processed. However, record keeping is a standard business practice for individuals engaged in the business of processing poultry and poultry meat food products to ensure the safety and wholesomeness of the product.

Effect on Housing Costs: None

<u>Finding of Necessity for Report:</u> The Department finds that it is necessary for the health, safety, and general welfare of the people of the state that this regulation requiring a report apply to businesses.

EFFECT ON SMALL BUSINESS

The Department has determined that the proposed regulations would affect small businesses.

CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing (if a hearing is requested from the public), or during the public comment period.

INITIAL STATEMENT OF REASONS

The Department has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing (if a hearing is requested) or during the public comment period upon request from the Department of Food and Agriculture, 1220 N Street, Room A-116, Sacramento, California 95814.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public inspection by contacting the persons named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact persons named below.

CONTACT PERSONS

Inquiries concerning the substance of the proposed regulations are to be addressed to the following:

Name: Alfred Aquino, DVM

Address: Department of Food and Agriculture

Meat and Poultry Inspection Branch

1220 N Street, Room A-125 Sacramento, CA 95814

Telephone No.: (916) 654-0504 Fax No.: (916) 654-2608

E-mail address: AAquino@cdfa.ca.gov

Written comments regarding this proposal for inclusion in the Department's official rulemaking file are to be addressed to the following:

Name: Nancy Grillo, Associate Analyst

Regulation & Legislation Coordinator

Address: Department of Food and Agriculture

Animal Health and Food Safety Services

1220 N Street, Room A-116 Sacramento, CA 95814

Telephone No.: (916) 651-7280 Fax No.: (916) 653-4249 E-mail address: NGrillo@cdfa.ca.gov

Website Access:

Materials regarding this proposal can be found at: www.cdfa.ca.gov/Regulations.html.